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FM AMEMBASSY BRIDGETOWN
TO RUEHC/SECSTATE WASHDC PRIORITY 5740
INFO RUCNCOM/EC CARICOM COLLECTIVE
RUCPDOC/DEPT OF COMMERCE WASHDC
RUMIAAA/USOUTHCOM MIAMI FL
RUEHCV/USDAO CARACAS VE
RUMIAAA/HQ USOUTHCOM J5 MIAMI FL

UNCLAS SECTION 01 OF 02 BRIDGETOWN 001410

SIPDIS

SIPDIS

WHA/CAR FOR ALAIN NORMAN
SOUTHCOM ALSO FOR POLAD
L/CID FOR MARGUERITE WALTER
WHA/EPSC FOR LISA KUBISKE
EEB/ESC/IEC FOR MATT McMANUS
EEB/IFD/OIA FOR HEATHER GOERTHERT

E.O. 12958: N/A

TAGS: [ENRG](#) [ECON](#) [EINV](#) [PGOV](#) [PREL](#) [CVIS](#) [XL](#)

SUBJECT: ST. KITTS ATTRACTING INVESTMENTS GALORE

REF: A. A) BRIDGETOWN 615

[1](#)B. B) BRIDGETOWN 1256

Summary

[1](#)1. (U) During a recent visit to New York, St. Christopher (Kitts) and Nevis Prime Minister Denzil Douglas reiterated his nation's commitment to foreign investment and announced plans for additional high-end resorts to invest in St. Kitts.

The government's apparent success in attracting well-known investors in its plan to develop Christophe Harbour has garnered headlines and left St. Kitts and Nevis optimistic about its potential for economic growth. End summary.

Big Names Jumping on Board

[1](#)2. (U) During a recent trip to New York, St. Kitts and Nevis Prime Minister Denzil Douglas and Minister of State for Tourism Richard "Ricky" Skerritt announced several agreements with several US companies to invest in the country's Christophe Harbour project. Christophe Harbour is located on the southeast peninsula of St. Kitts and includes 2,500 acres and six beaches. Douglas and Skerritt announced that Kiawah Development Partners (KDP), Auberge Resorts, Mandarin Oriental Hotel Group, sales and marketing company IMI, and Applied Technology & Management have all committed to developing the Harbour. Plans call for two luxury five-star hotels (operated by Auberge and Mandarin Oriental), a Tom Fazio golf course, homes and villas, and a luxury marina. In addition to the developments at Christophe Harbour, the government has also signed an agreement to expand the Marriott Vacation Club International, estimated to cost \$400 million USD.

The Angelus Shadow Remains

[1](#)3. (SBU) Despite these encouraging announcements, the GOSKN's expropriation of land owned by several Amcits puts a damper on this increased American investment in St. Kitts real estate (Ref A). Since the Ambassador last raised the issue with PM Douglas in mid-September, the Ambassador sent him a follow-up letter asking what compensation arrangements are being made for the Amcits owners of the Angelus resort and asking the GOSKN to confirm the list of names of American

claimants in the case.

¶4. (SBU) Although there has been no response to this letter, some of the Amcit claimants report that they have received letters from the government asking them to turn in their keys and inviting them to contact the Attorney General (AG) for more information. Only one Amcit has been able to reach the AG to date, but was only able to ascertain that the government is either "about to sell" the property or was already sold it, and that they will receive "fair market" value for their property. The property is presumably being purchased by Marriott for use in its \$400 million expansion project. Embassy Bridgetown will continue to raise the issue of compensation with the AG and the PM's office.

Comment

¶5. (SBU) After taking a gamble in bringing in the Marriott, St. Kitts seems to be reaping large rewards in the form of large-scale hotel and resort investments. The amount of (mostly American) private investment pouring into St. Kitts is approaching staggering amounts, and should provide concrete results in the form of increased employment and even more high-end tourist dollars. The abundance of investment activity in St. Kitts is in sharp contrast to the struggles facing investors in nearby St. Vincent and the Grenadines (septel). There is no doubt that the Douglas administration has decided to devote most of its energy to attracting such high-end investment, and PM Douglas is known to be personally involved in the forming of the SKN Investment Promotion Authority, set to open in December. By the same token, the government has been slow and unresponsive in dealing with the Angelus resort dispute, and clearly has its eyes on the larger prize of large-scale investment. End comment.

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HOWARD